



To: AWHOA Board of Directors  
From: Save Apache Wells Committee  
Date: 11/9/09  
Ref: Proposed 2010 Budget

AWHOA Directors,

We wish to thank you for your show of openness in giving homeowners the opportunity to comment on the Proposed 2010 Budget. The “buzzword” in business and government today is **transparency**. This is also a word that needs to be fully applied to HOAs and is linked to the fact that an informed community is a more united community. Involvement of residents in the budgetary process also raises the level of trust in the Board of Directors. We look forward to continued cooperation on this issue in the future.

Our homeowners have scrutinized the proposed budget and wish to share the following comments with the Board. Editor’s Note: At the Board’s request we have agreed not to publish the proposed 2010 Budget on our website. For that reason we have deleted the specific amounts attached to the following homeowner comments. Homeowners will need to refer to their copy of the budget for the budgeted amounts.

**There is a lack of explanation on line items:**

- **Bank charges of \$x,xxx**-Most banks are happy to have your business and do not charge fees. Should we be looking elsewhere for banking services?
- **Equipment lease \$x,xxx**-What equipment are we planning to lease? Details would be nice.
- **Legal \$xx,xxx**-Seems excessive for our community. \$xxx,xxx since 2007! Is the Board anticipating legal problems in 2010? Doesn’t the Board have insurance for lawsuits?
- **Website \$x,xxx**-Is this for an interactive website where homeowners can get information, association news, events, activities, documents, etc.? We need one!
- **Training & Development \$x,xxx**-Training for what and for whom?
- **Election Expenses \$x,xxx**-in the past the expense was minimal, as we had dedicated and totally honest volunteers. Maricopa County only counts ballots. We do the all the rest!
- **Travel \$xxx**-Please explain who is compensated and for what.

**Maintenance and Repair:**

- **General maintenance \$xx,xxx**-We need a breakdown of general maintenance. Maintenance of what and by whom? A lot of money with little information.
- **Beautification \$xx,xxx**-Is this for equipment, materials, etc.? We really appreciate their volunteer efforts to keep AW beautiful!

### Recreation:

- **Computer Club \$x,xxx**-Is this for supplies, maintenance, equipment, software?
- **Other Activities \$x,xxx**-What activities, for whom, and by whom? Details?
- **Other Recreational \$x,xxx**-Too vague! Can we have a few specific examples of how this money will be used? Sounds like a “slush fund”!

### Contract Services:

- **Security Contract Services \$xx,xxx**-Despite the increase in Mesa crime stats, we need to consider other options for summer security, i.e. off-duty Mesa PD, paid AW Security Patrol members, compensated Neighborhood Patrol or other. What we had this past summer was totally inadequate with 28 B&E's.
- **Other Contract Services \$x,xxx**-Details? What services, for whom and by whom? What happens if this money is not needed? Reallocated?

### Capital Expenses:

- **Community Signage Replacement \$x,xxx**-Is this a bid amount and if so did we get 3 bids?
- **Pool Furniture \$x,xxx**-New furniture was already purchased. Is this an addition?
- **Fitness Center Equipment \$x,xxx**-Wasn't last year's new equipment purchase enough? It must be getting a little tight in the workout room. Does the usage of the room by members justify the added expense?
- **Room A/C Renovation**-At the HOA meeting on October 13<sup>th</sup> the homeowners indicated by a show of hands that a folding divider between A and C was not needed. A \$xx,xxx savings to homeowners?
- **Paint exterior of rec-com building and library \$xx,xxx**-Is this a bid amount and did we get 3 bids? When was it last painted? Has company been selected?
- **Room A Microwave \$xxx**-How many?
- **Room A Tables \$x,xxx**-How many do we have, are these replacements or additions, don't we already have enough tables for events?
- **New Windows Rec Bldg \$x,xxx**-We thought those had been installed already. There was a picture in the Roundup of volunteers doing this work.
- **Paint Gazebo Ceiling \$x,xxx**-Is this the low bid of 3? Who got the job? Why can't the “Casual Labor” person at \$x,xxx paint the ceiling and save \$x,xxx as budgeted. What kind of ceiling paint job is worth \$x,xxx?
- **Paint Shuffleboard Brick Wall \$x,xxx**-Was this the low bid? Why not ask for volunteers and provide the materials? Have a BBQ for them on our new grills? Was anyone in the shuffleboard group advised of the price tag for painting the wall? Members have always volunteered in the past, including building the building next to the Gazebo.
- **Pool Deck Repair \$xx,xxx**-Is this a worse case scenario estimate? Is it the recommendation/estimate of a pool expert or just a shot in the dark? Didn't the last pool deck work a few years ago have a warranty on it? A lot of money!!!
- **Parking Lot /Walking Path Asphalt \$xx,xxx**-Dog owners would prefer to keep walking path unpaved to save pets' paws in summer heat. \$xx,xxx in savings right there!
- **Payroll/Admin Services \$xxx,xxx**-State Law says HOAs **may** withhold compensation of employees. We know you **will** withhold this information, but it seems like a lot for 2 full and 2 part-time employees.

### Other Comments on the Budget:

- **The 2010 budget as presented** to the residents of AW lacks the trust and integrity the Board of Directors keep saying they want. A suggestion would be to include line item explanation and an impartial budget committee to complete the budget - within Board parameters of course.
- **Two major keys to budget acceptance** by residents is involvement & communication - this was my jumping off point when considering what information I needed, as a homeowner, to concur with the 2010 AWHOA budget without feeling as though our dollars were being hidden, misused. Since 2005 our HOA dues have been doubled.
- **Wake up every one on the budget committee, "WE ARE IN A RECESSION".** The current economy seems to have affected most businesses as well as homeowners. But not the HomeOwners Assoc. at least not the one at Apache Wells. We as homeowners, some of us, have felt the crunch more than others. Some of us have lost our spouse which cuts our income in half and many of the investments have lost value as well. The stock market has not been too kind to many of us. But at Apache Wells it's business as usual. I would like to know just for my own curiosity, has there been any effort to get competitive bids on the projects? The reason I ask is there are so many licensed and insured contractors crying for jobs. The purchases made, who did comparative shopping on items? JUST CURIOUS!
- **The AWHOA doesn't know how to budget in this recession!** It isn't their money, it's the homeowner's money and easy to spend when it isn't yours, huh?
- **It seems that when budget time rolls around** the Budget Committee meets and decides on a percentage increase to the previous year's dues. Ten percent is the limit by law without a vote of the homeowners. For 2010 it is 8.86%, giving the homeowners a discount of 1.14%. They then sit down and decide on how to spend the money, thus creating the budget. I may be off base on this, but that's the way I read it. How about those who use the money in the budget applying for their funds before the budget is put together? Also, homeowners should get to vote on the annual budget!
- **I would like to see a budget heading LONG RANGE BUILDING FUND.** That fund could be then used to put any monies earned by activities and projects. It should be escrowed and earning interest.
- **Payroll of \$xxx,xxx in this economy?** Why aren't the salaries frozen or taking a 5% cut in pay along with furlough days as most businesses are doing with their employees? It is a widespread consensus that we certainly don't need 2 full-time employees in the office during the summer season. Many of the homeowners in Apache Wells are living solely on Social Security. No 1 or 2% cost of living for the next two (or more) years. A hardship for many! So how are you justifying this increase for the employees of Apache Wells??? In addition to the \$xxx,xxx another \$x,xxx is being allocated for janitorial services plus \$x,xxx for "casual labor". How do you justify this?
- **Time to consider hiring a professional community manager?** At this rate we are fast approaching becoming a \$x,xxx,xxx corporation. Maybe the time has come to consider it?

The comments contained in this letter were submitted to us by homeowners who wished to utilize this format to present their concerns on the proposed budget. They were compiled by SAW Website Editor Bob Teague #196 in an effort to eliminate duplication.